

CONFLICT OF INTEREST POLICY
Resolution of the Board of Directors
of
Adaptive Sports Partners of the North Country, Inc.

Article I
Purpose

The purpose of this conflict of interest policy is to protect the interests of Adaptive Sports Partners of the North Country, Inc. (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in an excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, hereof, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the board or committee shall determine whether the corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is (i) in the Corporation's best interest, (ii) beneficial to the Corporation, and (iii) fair and reasonable. If these factors are met, the corporation may choose to enter into the proposed transaction.
- e. In evaluating such a transaction or arrangement, the Corporation should pay no more than fair market value for any goods or services which the Corporation receives and should receive fair market value consideration for any goods or services that it furnishes to others.

4. Violations of the Conflict of Interest Policy

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the

member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as may be warranted by the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of the board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article V Compensation

1. A voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Affirming Statements

Each director, principal officer and member of a committee with governing board delegated powers shall sign a statement, a form of which is annexed hereto as Exhibit A, which affirms that such person –

- a. Has received a copy of this conflicts of interest policy,
- b. Has read and understands this policy,
- c. Has agreed to comply with this policy, and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Furthermore, periodically, the Secretary of the Corporation may distribute to all directors and officers of the Corporation a form, the form of which is annexed hereto as Exhibit B, soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Corporation and whether the process for approval set forth herein was used.

Article VIII Use of Outside Experts

In conducting the periodic reviews as provided for in Article VII, hereof, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

Article IX Adoption of Policy

This policy was adopted on _____, at the initial organizational meeting of the Corporation, by unanimous consent of the board of directors.

Signature of Director

Date

**CONFLICT OF INTEREST POLICY ACKNOWLEDGEMENT
FOR
DIRECTORS AND OFFICERS**

I, _____, the undersigned officer and/or director of Adaptive Sports Partners of the North Country, Inc., affirm that:

- a. I have received a copy of Adaptive Sports Partners of the North Country, Inc.'s Conflicts of Interest policy (the "Policy");
- b. I have read and understand the Policy;
- c. I agree to comply with the Policy; and
- d. I understand that Adaptive Sports Partners of the North Country, Inc. is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Name:

Title:

**CONFLICT OF INTEREST DISCLOSURE FORM
FOR
DIRECTORS AND OFFICERS**

Please complete all sections below:

1. Are you aware of any relationship or transaction with Adaptive Sports Partners of the North Country, Inc. (the “Corporation”) which involves or could ultimately harm or benefit financially:
- a. Yourself;
yes no

 - b. Any member of your immediate family (defined as your spouse, parents, children, brothers, or sisters and spouses of these individuals); or
yes no

 - c. Any organization in which you or an immediate family member is a director, trustee, officer, member, partner, or own more than 10 percent of the total (combined) voting power? [Volunteer service on the board of another not-for profit corporation need not be disclosed.]
yes no

If yes, please list all such relationships or transactions, including specific information concerning the essential financial terms of any contract or transaction (description of services, duration, consideration, or price) and whether approval of the transaction has been obtained from the board of directors.

2. Please fill out completely. If not applicable, indicate “none”.

- a. Listed below are all corporations, partnerships, or other business entities in which I am a director, officer, member, partner, or manager, or in which I or any member of my immediate family has a substantial financial interest (i.e., owner of 10 percent of the total (combined) voting power or greater):

<u>Entity</u>	<u>Position</u>	<u>Self or Family</u>
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- b. All other not-for-profit institutions, of which I am a trustee, director, or officer,

which have a substantial likelihood of being harmed or benefited by any action or policy of the Corporation:

<u>Entity</u>	<u>Position</u>	<u>Self or Family</u>
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c. All trusts, of which I am a trustee, or which benefit me or any member of my immediate family, which have a substantial likelihood of being harmed or benefited by any action or policy of the Corporation:

<u>Entity</u>	<u>Trustee or Beneficiary</u>	<u>Self or Family</u>
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I have read and understand the Conflict of Interest Policy adopted by Adaptive Sports Partners of the North Country, Inc., and the foregoing information is true and complete to the best of my knowledge. I also understand that, with respect to the application of certain provisions of the Internal Revenue Code, liability for interested person transactions may arise up to five years after my service to the Corporation has ended.

Dated: _____

Name:
Title: